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MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM:   
Director, Intelligence Community Staff

SUBJECT: Civil Satellite Program Transfers to the Private Sector

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1. This memorandum provides a status report on the issue of transferring the LANDSAT and civil weather satellites to the private sector. The impetus for the memorandum is information that a COMSAT General representative will be contacting you relative to this matter in the near future. COMSAT General continues to have a strong interest in having the Federal Government transfer the LANDSAT program simultaneously with the civil weather satellite program. To that end, it is energetically pressing its arguments for such a simultaneous transfer.

2. As General Winne has informed you in a previous memorandum, the Cabinet Council on Commerce and Trade (CCC&T) reviewed this joint transfer issue on 20 April 1982 and reached a decision against the transfer of the civil weather satellites. The decision not to transfer the weather satellites was based upon national security concerns, the need to meet U.S. commitments for international exchange of weather data, and a belief that a transfer would result in a controlled monopoly requiring government support and direction. As of this time, however, Secretary Baldrige has not taken any further action to implement this decision. The principal reason for the hold appears to be the arguments that COMSAT presented directly to Secretary Baldrige shortly after the CCC&T meeting to the effect that COMSAT can accommodate all of the cited concerns. These arguments have apparently led the Secretary to seek out additional information before a final Administration position is reached.

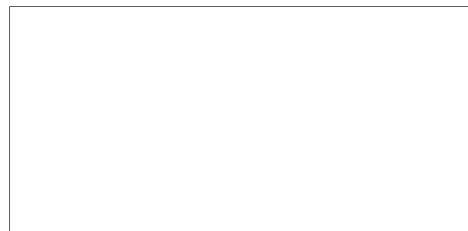
3. Following this COMSAT presentation, Commerce officials organized a meeting of representatives of the various interested federal organizations for an exchange of views with COMSAT representatives. Subsequently, the National Oceanic and Atmospheric Administration of Commerce provided COMSAT with an outline of the specific issues that had influenced and led to the CCC&T decision against a transfer of the civil weather satellites. COMSAT has developed an extensive written rebuttal that claims that a proposed COMSAT take-over of certain civil weather satellite operations can both accommodate all of the government's concerns and also assist the Administration in reducing federal outlays.

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4. The COMSAT rebuttal appears to directly address the government's concerns, but a definitive assessment would require evaluations by all the interested federal organizations, particularly by DoD. In common with the other federal agencies represented at the 16 July 1982 meeting of the (LANDSAT) Program Board, DoD has taken the position that the CCC&T decision represents the last official Administration action on this issue, and they are not commenting on the COMSAT rebuttal. In the interim, the Commerce Department is independently eliciting--through the "Commerce Business Daily Announcement" vehicle--additional views from the private sector on two issues: a) the best mechanism to transfer the LANDSAT systems to the private sector, and b) should the Administration change its current policy and consider simultaneous transfer of both types of satellite systems. These Commerce Department actions indicate a strong likelihood that Secretary Baldrige may formally reopen the issue of a simultaneous transfer of both types of satellites in a forthcoming CCC&T meeting.

5. Intelligence Community concerns continue to be focused primarily upon ensuring a continuous flow of dependable data on a timely basis and at the lowest cost from both the LANDSAT (and follow-on) and civil weather programs. With reference to the civil weather satellite program, DoD is both a major user and the direct interface on those aspects that may affect intelligence operations. Therefore, DoD comments on any proposed policy change, such as the COMSAT proposal involves, will be particularly pertinent.

6. A copy of the COMSAT rebuttal, or other recently issued materials that contain more details on the above issues, can be forwarded to you at your request. We shall, of course, inform you of any important matters that develop with reference to these issues that may affect Intelligence Community interests.



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